



# The Court Report

1<sup>st</sup> Police District

May/June 2006

*Building Safer Neighborhoods Through Community Partnership*

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## Summary of Recent Court Cases

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**Kevin J. Browne**, age 28, also known as Kevin Jainlett, was sentenced by a D.C. Superior Court judge to serve 10 years in prison on pandering, procuring and obstruction of justices charges related to the operation of his prostitution business.

**Vincent R. Lofton**, age 51, was found guilty of first degree child sex abuse with aggravating circumstances of a 13-year-old who later became pregnant and gave birth to the defendant's child.

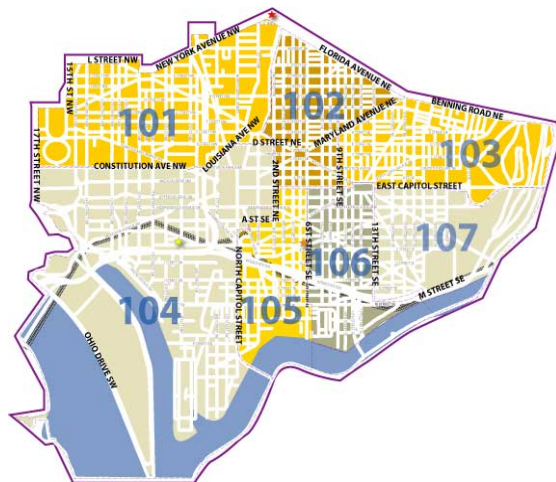
**David E. Stevens**, pled guilty to the attempted kidnapping during an attack of two women in February 2006, while they walked to their cars after leaving a local Southwest nightclub.

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**Matthew L. Murphy-Bey**, age 41, was sentenced to a total of nine years in prison for shooting a man over an unpaid drug debt.

*A detailed description of these and other cases from the 1<sup>st</sup> District are provided inside of this report.*

## The 1<sup>st</sup> Police District



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**Sursum  
Corda  
Cooperative  
Association,  
Inc.**

The Sursum Corda Cooperative Association, Inc., held a security meeting on April 28<sup>th</sup> to discuss their efforts working with MPD and the community. As has been well-publicized, residents of Sursum Corda have decided to purchase their units rather than to move out and find new housing. Sursum Corda is looking forward to becoming a new community with the help of its current residents and Mr. David Chestnut, Director of the Association. The members of the Cooperative have hired King Security Company, which will be housed on the premises and will be on duty at all times. Other plans for Sursum Corda include a fence enclosing the community and required proof of identification for entry into the property.

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**On May 4, 2006, a Northeast Washington, D.C. man, David E. Stevens, pled guilty to the attempted kidnapping during an attack of two woman in February 2006, while they walked to their cars after leaving a local Southwest nightclub. (Case # 2006CF3003200; PSA 104)**

Stevens, 25, of the unit block of 48<sup>th</sup> Street, NE, Washington, D.C., pled guilty to the charge in D.C. Superior Court before the Honorable Herbert B. Dixon, Jr. Stevens, who is scheduled to be sentenced on July 10, 2006, will face a possible maximum sentence of five years of imprisonment under the statute and a likely sentence of between 14 and 32 months under the Superior Court Sentencing Guidelines.

According to the government's factual proffer of the events provided to the court proceedings, on February 18, 2006, at around 2:00 a.m., two young women were walking to their cars after having spent the evening at the Zanzibar nightclub, in the Waterfront neighborhood of Southwest D.C. As the two women were walking in the 700 block of 7th Street, SW, the defendant approached them and said words to the effect of, "Get in the cut or I'll bust the two of you in the head." Both women tried to run away, and one of them was able to escape.

The defendant chased after and caught up with the second woman. He grabbed her by the neck and hair, placed her in a headlock, and dragged her to the Jefferson Junior High School building, located on 7th Street, SW, all the while telling her that she had better be quiet or he would hurt her. The defendant pulled his victim to a set of stairs next to the school building and ordered her to go down to the bottom of the stairs and "take everything off." The woman went down the stairs; the defendant only went down about two steps, then he turned around and stood at the top of the stairs, looking out at the street. From the bottom of the stairs, the woman called 911 from her cell phone and hysterically reported, "There's a man trying to kill me . . . please hurry!" While she was on the phone, the defendant ran off. When she saw that he was no longer at the top of the stairs, the woman ran up the steps and fled down 7th Street.

Meanwhile, her friend had flagged down a passing MPD patrolman, Officer Che Allen, and told him that she and her companion had been attacked. When the victim came running down 7th Street, she saw the officer in his car. Both women got into the police cruiser with Officer Allen, and drove around the neighborhood looking for the defendant. A few minutes later, the women and the officer saw the defendant walking down 7th Street. The police detained the defendant and both women positively identified him as their assailant.

**On May 4, 2006, a local pimp, Kevin J. Browne, also known as Kevin Jainlett, was sentenced by a D.C. Superior Court judge to serve 10 years in prison on pandering, procuring and obstruction of justices charges related to the operation of his prostitution business. (Case # 2005FEL006154; PSA 101)**

Browne, 28, of no fixed address, but who has been known to reside in Baltimore, Maryland, received his sentence before the Honorable Herbert B. Dixon, Jr. Brown pled guilty to the charges in February 2006.

During the previous plea proceeding, Browne admitted that he had been running a prostitution business in the District of Columbia during the summer and fall of 2005 with four young women working for him. Browne recruited the women to be his prostitutes, promising them lodging, clothing, and health insurance, among other things. As their pimp, Browne received all of their earnings, and he controlled

how long they worked, how much they were to earn, and how they attracted customers. The defendant arranged for three of the four prostitutes to have matching tattoos placed on their necks. The tattoos depicted Browne's nickname and showed that the prostitutes belonged to Browne. Once becoming part of Browne's "stable," the prostitutes were never to mention leaving Browne, and the defendant used threats and beatings to maintain allegiance and conformity to his rules. In addition to sending the prostitutes to downtown Washington, D.C. to solicit customers on the street, the defendant arranged for customers to meet his prostitutes through a popular, local internet website. Operating from Washington, D.C. area hotels, and using a laptop computer, the defendant and his prostitutes transmitted glamour photographs and advertisements for prostitution services. A customer would then contact the prostitute, visit the hotel room, and pay money for sexual services. The proceeds were then turned over to Browne.

After he was arrested in October 2005, Browne, working with an accomplice, contacted two of the prostitutes in violation of a Court order in an effort to prevent the women from testifying against him before the grand jury. Browne and the accomplice used money and persuasion to induce the prostitutes to flee Washington, D.C. so that the women would not assist in the prosecution and so that the women could continue working as prostitutes for Browne's accomplice in another city. Law enforcement agents later uncovered and thwarted this plot.

**On May 17, 2006, a Northeast man, Vincent R. Lofton, 51, was found guilty of first degree child sex abuse with aggravating circumstances of a 13-year-old who later became pregnant and gave birth to the defendant's child. (Case # 2006CF1000947; PSA 106)**

A Superior Court jury found Lofton guilty of the charge for sexually assaulting a 13-year-old girl in October of 2003. Lofton will face a possible maximum sentence of life without the possibility of release under the statute and the Sentencing Guidelines when he is sentenced on July 18, 2006, by the Honorable Rhonda Reid Winston.

At trial, the government's evidence showed that in October of 2003, the defendant, who was then 49 years old, raped a 13-year-old girl in Northeast Washington, D.C. (PSA 106). As a result of the rape, the girl became pregnant and gave birth to the defendant's child nine months later. Paternity tests confirmed that the defendant was the father of the infant.

**On May 19, 2006, a Temple Hills, Maryland man, Michael Jonathan Thompson, who worked at a local day program for disabled persons, was sentenced to a total of 5 years of incarceration related to his sexually abusing a client and, in a separate matter, sexually abusing his fiancé's daughter. (Case # 2005FEL005474; PSA 106)**

Thompson, 40, pled guilty on March 10, 2006, before the Honorable Wendell P. Gardner, Jr. to Attempt First Degree Sexual Abuse of a Client and Attempt First Degree Child Sexual Abuse. Thompson was sentenced to 24 months of incarceration for sexually abusing a physically and mentally disabled woman and 36 months in prison for sexually abusing his fiancé's daughter. The sentences will run consecutive to each other. The defendant will also be required to register as a sex offender for the rest of his life. During the sentencing, the defendant admitted that he had "sexual problems" and through his attorney indicated that he had suppressed his urges for more than 20 years, until the time of these offenses.

According to the government's evidence, on March 24, 2005, the adult victim was attending the Associated Community Services, Inc. (ACS) Day Program located in Southeast Washington D.C. ACS assists disabled individuals with developing their job skills. Thompson, who was a work activities coordinator for ACS, was responsible for assisting the victim and other disabled individuals with

developing employment skills, such as filing and computer data entry. The victim, who had cerebral palsy, used the assistance of a wheelchair for her daily activities.

While she was awaiting the arrival of the van that would transport her home, Thompson told the victim to come to him. When she refused, the defendant approached her and pushed her wheelchair into a back room of the ACS facility. He released the seatbelt on her wheelchair, pulled down her clothing and sexually assaulted her. The defendant told the victim not to tell anyone about the sexual assault. Once she was transported home, the victim immediately disclosed the sexual assault.

In an unrelated case, according to the government's evidence, on December 13, 2005, Thompson went to his fiancé's home located in Northeast Washington D.C. He went upstairs and asked his fiancé's 11-year-old daughter for a hug. When she hugged him, the defendant put his hand into her pajamas and sexually assaulted her. Thompson gave the child \$20 and told her not to tell anyone about the assault. The next morning the child disclosed the abuse to her mother by stating, "Tell Jonathan to stop touching me." Her mother also observed a \$20 bill crumpled on the bedroom floor.

**On June 6, 2006 Patrick Small, 44, was sentenced in D.C. Superior Court to a total of two years of incarceration for falsely impersonating a police officer and sexually abusing prostitutes. The defendant, who pled guilty on March 28, 2006, before the Honorable Herbert B. Dixon, Jr. to two counts of Attempted Second Degree Sexual Abuse and one count of False Impersonation of a Police Officer, will also be required to register as a sex offender for life. (Case No. 2004FEL005263; PSA 101)**

According to the government's evidence, in 2004, the defendant was employed by a private company as a security guard, assigned to a construction site located at 1200 L Street, NW, where an elementary school was undergoing renovation. In the evenings, that area of the District of Columbia was known as a high prostitution area. On August 19, 2004, the defendant approached a 16-year-old prostitute and identified himself as a Metropolitan Police Department (MPD) officer. He told her that MPD was conducting a "prostitution sting" and that she was under arrest for solicitation of prostitution. He told the 16-year-old that she could be incarcerated for up to six months without bail or bond. He further told her that if she had sex with him, he would not arrest her. After complying the complainant was eventually allowed to leave. The 16-year-old immediately reported the sexual abuse to a bona fide MPD Officer and gave the officer the defendant's license plate number, which she wrote down using her mascara. The defendant was positively identified and arrested. A DNA analysis confirmed contact with the victim. Subsequently, the government learned of additional victims, all prostitutes who frequent the same area.

**On June 5, 2006 a District of Columbia man, Matthew L. Murphy-Bey, was sentenced to nine years for shooting a man over an unpaid drug debt. Murphy-Bey, 41, of the 600 block of Farragut Place, NE, Washington, D.C., received his sentence in D.C. Superior Court before the Honorable Rhonda Reid-Winston. On January 26, 2006, a Superior Court jury convicted Murphy-Bey of Aggravated Assault while Armed, Possession of a Firearm during a Crime of Violence, and two counts of Carrying a Pistol Without a License. (Case No. 2006CMD003197; PSA 107)**

According to the government's evidence at trial, in March 2005, the defendant sold the victim crack cocaine on credit on several occasions, for which the victim owed the defendant

\$45. On the evening of March 18, 2005, the defendant went to the victim's apartment at 811 Quincy Street, NW (PSA 404), to collect the debt. The defendant found the victim in a neighbors' apartment, and when the victim could not immediately pay him, the defendant punched the victim in the face. A fight ensued, during which the defendant shot the victim twice with a .32-caliber revolver, hitting the victim in his stomach and his right arm. The defendant then fled the scene. Four days later, on March 22, 2005, police officers stopped the defendant and recovered from him a .32-caliber revolver.

## **DISTRICT COURT CASES**

**On May 22, 2006, Gwendolyn M. Hemphill, the former Executive Assistant to the President of the Washington Teacher's Union (WTU), was sentenced to 11 years in prison for her role in a conspiracy to defraud WTU between 1997 and 2002. Hemphill, 64, of Washington, D.C., was sentenced in United States District Court before the Honorable Richard J. Leon, who also ordered that Hemphill serve three years of supervised release upon her release from prison and perform 300 hours of community service. The Court further ordered her to pay restitution in the amount exceeding \$4.2 million. (District Court)**

In August 2005, a federal jury convicted Hemphill of 23 counts of conspiracy, embezzlement, mail fraud, wire fraud, false statements, money laundering, and theft. Her co-defendant, James Baxter, former treasurer of the WTU, was convicted of the same offenses and will be sentenced on June 5, 2006.

WTU is the collective bargaining unit for 5,000 teachers, guidance counselors, librarians, and other school professionals employed by and retired from the District of Columbia Public Schools. The government's case at trial demonstrated that Baxter and Hemphill, along with Barbara Bullock, the former president, stole millions of dollars from WTU starting in 1995, and continuing through about September 2002. Bullock pled guilty to mail fraud and conspiracy charges and is serving a 9-year federal prison sentence. The scheme was carried out or aided and abetted by several lesser players, including Hemphill's daughter and son-in-law, Bullock's chauffeur, a friend of Hemphill's son-in-law, and a union accountant. These five persons also pled guilty to various federal offenses and are awaiting sentencing.

The conspiracy first was limited to the use of credit cards for lavish personal purchases and through the co-conspirators writing checks to themselves for false and fictitious services or reasons. The conspiracy evolved as Baxter, Hemphill, and Bullock sought to cover up their fraud by: (1) creating a sham company called Expressions Unlimited, which was run by Michael Martin (Hemphill's son-in-law), Cheryl Martin (Hemphill's daughter and Michael Martin's wife), and Errol Alderman (Michael Martin's friend), and which existed solely for the purpose of receiving union funds and paying them out to the conspirators, in part, to make it appear that checks from Bullock and Hemphill to pay WTU's American Express bills were from their personal funds; and (2) writing over \$1.4 million in checks to Leroy Holmes, Bullock's chauffeur, who pleaded guilty in February 2003 to conspiracy to launder funds. Holmes would cash union checks and return most of the proceeds to Hemphill or deposit them into Bullock's bank account. Likewise, the Martins and Alderman pled guilty to conspiracy to launder money.

The fraud was concealed for years because of WTU's failure to complete and submit audits to the American Federation of Teachers and because, in some cases, certain other persons performing accounting-related services for WTU improperly accounted for the use of WTU funds, thereby making it appear that WTU funds were being spent appropriately. This improper accounting, which was performed, in part, by Robin Klein (who pled guilty just prior to trial to two counts of making false statements to the Department of Labor), included taking, in some cases, a year's worth of union American Express charges for personal expenditures and dividing them among legitimate-sounding accounts, such as "Employee Benefits," "Pension," "Membership Services," and "Travel and Entertainment." The false accounting information was then reported and, to some extent, further falsified by Baxter and Hemphill, on WTU financial reports, including annual tax returns submitted to the IRS and financial statements filed with the Department of Labor.

**On May 25, 2006, leaders of the M Street Crew, a notorious (phencyclidine) PCP and ecstasy distribution ring that operated in the neighborhood of 18<sup>th</sup> and M Streets, NE, Washington, D.C., between 2000 and 2004 were found guilty. John L. Franklin, 33, of the 1300 block of Belmont Street, NW, was found guilty of being the principle administrator of a continuing criminal drug enterprise (CCE). (District Court)**

United States Attorney Wainstein stated, "this prosecution represents the successful culmination of a joint federal and local effort to disrupt and dismantle the M Street Crew which had taken over the 18<sup>th</sup> and M Street neighborhood and turned it into their own private marketplace for drug trafficking."

The jury verdict found that Franklin had managed, organized and supplied a drug enterprise that distributed more than 30 kilograms of liquid PCP (more than 12 gallons of liquid PCP). Franklin now faces an automatic sentence of life in prison without the possibility of release. The jury also found him guilty of participating in a conspiracy to distribute PCP, ecstasy and crack cocaine, and of conspiracy to engage in a racketeering enterprise, the M Street Crew. These two additional offenses carry possible sentences of up to life in prison. He was also convicted of 23 separate drug trafficking offenses and numerous federal firearm counts.

The jury also convicted four additional M Street Crew leaders of RICO conspiracy and narcotics conspiracy charges. Those convicted included William Dee Robinson, 30, of 1716 M Street, NE.; George "Shug" Wilson, 37, of Capitol Heights, Maryland; and Joseph Blackson, 29, who is the brother of John Franklin, and resident of 2723 Shipley Terrace, SE. Lastly, the jury convicted William "Mike" Simmons, 32, of 1226 G Street, NE. Evidence in the case characterized Simmons's role as that of a personal assistant to the leader, John L. Franklin. Each of these defendants face the possibility life in prison.

Franklin and Simmons were also charged with the March 28, 2003, murder of Kevin Lurk, and the shooting of another individual at 10<sup>th</sup> and I Streets, NE. The jury heard evidence of numerous acts of violence committed by members of the M Street Crew, but returned verdicts of not guilty against Franklin and Simmons for this murder.

Judge Rosemary Collyer scheduled sentencings for George Wilson on August 17, 2006, for Blackson and Franklin on August 18, 2006, for Simmons on August 23, 2006, and for Robinson on September 5, 2006. All have been detained since their arrests on March 16, 2004.

The prosecution grew out of a long-term FBI/MPD task force called the Safe Streets Task force that targets violent drug trafficking gangs in the District of Columbia. The Safe Streets Initiative is funded in part by the Baltimore Washington High Intensity Drug Trafficking Area as well as the Organized Crime Drug Enforcement Task Force.

**On May 19, 2006, Mohamed Hussain Mohamed Riyal, 25, a citizen of Sri Lanka, was sentenced to serve 10 months in prison for his role in a visa fraud scheme in which 18 Sri Lankan nationals submitted fraudulent visa applications to enter the United States. The sentence was delivered by Honorable Richard J. Leon. In April of this year, Riyal pled guilty to False Making of Visas, Permits and Other Entry Documents and to Knowingly Presenting an Immigration Document Containing a False Statement as part of a visa fraud scheme. (District Court)**

The defendant's sentence concludes an 18-month investigation conducted by the U.S. Department of State's Diplomatic Security Service, Visa Fraud Branch (DSS), with the assistance of the Department of Homeland Security, Immigration and Customs Enforcement (ICE). The investigation identified 18 Sri Lankan nationals who, since January 2002, submitted non-immigrant visa applications to U.S. Embassies in Saudi Arabia, Qatar, and the United Arab Emirates fraudulently seeking to work in the United States for non-existent Saudi diplomats.

An A-3 visa may be issued by a United States Embassy abroad to an alien who is going to be employed within the United States as a household domestic or care giver of a foreign diplomat assigned in an official capacity to a diplomatic mission within the United States. Adjudicating officials issued A-3 visas to 13 of the applicants and refused visas to 5 others. The defendant was among the 13 applicants who successfully obtained an A-3 visa under this scheme. To date, 10 of the 11 successful applicants currently believed to be in the United States have been detained and subjected to criminal prosecution and/or deportation proceedings in the District of Columbia, Virginia, Illinois, California, and Connecticut.

The defendant admitted during the plea proceeding that in January 2004, he fraudulently obtained an A-3 visa from the United States Embassy in Doha, Qatar, by falsely claiming in his visa application that he was currently employed as a housekeeper in order to persuade the visa adjudicating official that he intended to work in a similar position for a purported Saudi diplomat.

The defendant also admitted that between March and June 2004, also in Doha, Qatar, he helped another individual fraudulently acquire an A-3 nonimmigrant visa in exchange for a fee of \$9000. The defendant provided that individual with documents that included a letter purportedly from the Saudi Embassy and a purported employment contract verifying the individual's employment with a purported Saudi diplomat, and a question and answer sheet to assist the individual with the visa interview. The defendant helped the individual fill out the visa application by providing the address at which the individual purportedly would stay in the United States and

the name and telephone numbers of his purported sponsor. When the individual asked about the sponsor, the defendant said not to worry about it, that others had done the same and obtained visas.

In October 2005, the defendant was detained as he was attempting to enter the United States using his fraudulently obtained visa. The defendant had in his possession numerous documents related to the application for, or issuance of, A-3 visas to several individuals to work for non-existent Saudi diplomats. Those documents included copies of A-3 visas issued to other individuals; a page containing what appeared to be multiple attempts to practice writing the signature of a purported Saudi diplomat; and a question and answer sheet to assist an individual with an A-3 visa interview. The defendant also had two computer disks containing documents related to the issuance of various types of United States non-immigrant visas, including letters purportedly from the Saudi Embassy in support of the A-3 visa applications for several individuals. The defendant admitted that he has provided at least 6 falsely made documents to other individuals for their use in obtaining A-3 visas.

**On May 10, 2006, Maria R. Hartline, 53, of Vienna, Virginia, who served as a secretary to the Air Force Chief of Chaplains at Bolling Air Force Base, pled guilty to embezzling over \$131,706.26 from the U.S. Treasury through a variety of fraudulent schemes. Hartline's plea took place in the United States District Court for the District of Columbia before the Honorable Ellen Segal Huvelle. When Hartline is sentenced, she faces between 12 and 18 months of imprisonment under the Federal Sentencing Guidelines. Sentencing has been scheduled for August 4, 2006. (District Court)**

According to the proffer of evidence provided to the Court by the government, between January 2002 and October 2005, Hartline embezzled money from the federal government as a federal employee by submitting fraudulent claims for overtime; fraudulently claiming to be working while taking annual leave; fraudulently using a government credit card for personal expenditures; and fraudulently submitting voucher payment requests for personal trips. Hartline was able to accomplish her schemes in large part by using her coworkers' and supervisors' computer passwords to avoid receiving necessary approval for overtime and travel claims.

**On May 11, 2006, Michelle L. Newman, a former employee for SunTrust Bank, pled guilty to bank theft in connection with the theft of approximately \$70,000 from the bank. Newman, 32, of Woodbridge, Virginia, entered her guilty plea at a hearing in U.S. District Court for the District of Columbia before the Honorable James Robertson, during which she admitted that from January of 2002 until July 26, 2005, she submitted fraudulent expenses for alleged bank client functions and deposited the resulting credited funds into her own personal checking account to use for gambling. Newman faces up to 10 years in prison under the bank theft statute when sentenced in July of this year, but likely will face 6 to 12 months of imprisonment under the Federal Sentencing Guidelines. Newman has agreed to make restitution of \$70,000 to the bank. (District Court)**

As part of her guilty plea, Newman acknowledged that she worked at SunTrust Bank in the Wealth Management Division until July 2005. It was in July of 2005, when officials at SunTrust became concerned about general ledger entries made by Newman for alleged client functions and expenses or supplies that reportedly had been requested by specific team leaders and approved by



Newman's supervisors. The SunTrust officials noted that a number of ledger entries for the debit ticket to pay these expenses made during the first six months of 2005 had forged signatures authorizing payments and that the offsetting credit ticket for each entry was deposited into Newman's personal checking account.

An investigation of this matter showed more than 400 debits with corresponding credits being made to Newman's checking account. The respective team leaders, however, all denied that the events took place or, if there was a function, the team leaders stated it would not have required the expense submitted by Newman. Each of the team leaders said they would have used their corporate credit cards for client entertainment. Newman's supervisors also stated that the expenses would not have been authorized and the authorizing signatures were not their respective signatures.

Newman submitted her resignation to SunTrust Bank on July 14, 2005. On July 26, 2005, Newman admitted to a bank investigator that she had developed a gambling habit in early 2002 and used the credits from the fraudulent general ledger expense entries to pay for her gambling. A review of bank records for 2002 through 2005 showed a loss to SunTrust Bank of at least \$70,000 from Newman's activities.

**On May 11, 2006, the second robber of the Catholic University Federal Credit Union was sentenced to 90 months in prison. Ronald Reed, 47, of Washington, D.C., was sentenced in the United States District Court for the District of Columbia before the Honorable Reggie B. Walton, to 90 months for robbing the Printing and Engraving Federal Credit Union located on the campus of Catholic University in 2003. On December 6, 2005, Reed pled guilty to armed bank robbery. (District Court)**

The defendant admitted that he and his brother, Vincent Reed, who was armed with a gun and wearing a mask on his face, entered the Engraving and Printing Federal Credit Union on the morning of December 1, 2003. Vincent Reed pointed a gun at the lone teller in the bank and demanded money. The robbers fled the bank with approximately \$25,000 in cash and money orders. Ronald Reed was captured outside the credit union by Catholic University Public Safety Officers, but Vincent Reed eluded capture by carjacking a pick-up truck belonging to an innocent bystander. When Vincent Reed dropped his face mask, Catholic University Security officers recognized him as a former Catholic University employee. That identification led FBI agents and Metropolitan Police officers to distribute wanted posters throughout the city. On December 2, 2003, officers from the Metropolitan Police Department located and arrested Vincent Reed. Upon Vincent Reed's arrest, officers recovered more than \$1000 in cash.

Vincent Reed elected to go to trial, and on December 15, 2005, a federal jury convicted Vincent Reed of armed bank robbery and armed carjacking. On March 21, 2006, Vincent Reed was sentenced to a total of 27 years in prison for robbing the credit union and carjacking an innocent bystander's car in order to flee the scene.

**On May 12, 2006, Malvin Palmer, a defendant in a serial bank robbery case that went to trial in U.S. District Court last year, was sentenced to 42 years and 8 months in prison. Palmer, 26, of the Bronx, New York, was found guilty of participating in two armed bank robberies**

**and being part of a much larger criminal conspiracy, until his participation was cut short by an arrest by the New York City Police Department on a probation violation. (District Court)**

In the District of Columbia, Palmer was convicted by a federal jury on July 15, 2005, of conspiracy to participate in a Racketeer Influenced Corrupt Organization (RICO), conspiring to commit bank robberies, two substantive armed bank robbery counts, and weapons offenses. As part of the conspiracy, Palmer participated in robberies at the Bank of America, on Blair Road, NW, and the Riggs Bank on Georgia Avenue, NW. In both robberies, Palmer was armed with an assault rifle which he used to intimidate customers and employees. When the co-conspirators, following the robbery at Bank of America, were making good their escape in a stolen van, Palmer spit out the window as they drove away, leaving DNA evidence behind. When FBI agents subsequently discovered the abandoned van, they observed a smear on the outside window, swabbed it, and submitted it to the FBI laboratory, where a DNA comparison determined it to be a match with Palmer.

Palmer was sentenced for the present offenses by United States District Judge Colleen Kollar-Kotelly to 42 years and 8 months in prison, followed by 5 years of supervised release, and ordered to pay \$236,000 in restitution.

Last Spring and Summer, six defendants — Palmer, Miquel Morrow, Lionel Stoddard, Carlos Aguiar, Bryan Burwell, and Aaron Perkins — went to trial before Judge Kollar-Kotelly and a federal jury. The RICO conspiracy charged that the six defendants, and others, conspired to participate in the following six armed bank robberies in D.C. and Maryland:

January 22, 2004, Bank of America, 5911 Blair Road, NW, Washington, D.C., in which approximately \$144,000 was taken;

March 5, 2004, Riggs Bank, 7601 Georgia Avenue, NW, Washington, D.C., in which approximately \$92,000 was taken;

May 10, 2004, Chevy Chase Bank, 3601 St. Barnabus Road, Silver Hill, Maryland, in which approximately \$54,000 was taken;

May 27, 2004, Chevy Chase Bank, 5823 Eastern Avenue, Chillum, Maryland, in which approximately \$18,000 was taken;

June 12, 2004, Industrial Bank, 2012 Rhode Island Avenue, NW, Washington, D.C., in which approximately \$30,000 was taken; and

June 29, 2004, SunTrust Bank, 5000 Connecticut Avenue, NW, Washington, D.C., in which approximately \$23,000 was taken.

On July 15, 2005, the jury returned verdicts against all defendants, finding them guilty of numerous offenses, including RICO conspiracy, conspiracy, and substantive bank robbery and weapons violations. Morrow was also convicted of an assault with intent to kill on May 15, 2004, in Northwest Washington, D.C., of an individual who allegedly stole a weapon from the criminal

enterprise. Burwell has been sentenced to a term of 41 years and 3 months; Perkins has been sentenced to 34 years and 9 months; and Aguiar has been sentenced to a term of 60 years. Morrow and Stoddard will be sentenced next week.

Earlier this year, Judge Kollar-Kotelly sentenced two other defendants, Nourredine Chtaini and Omar Holmes, both of whom provided significant testimony at the trial of the six defendants, to 13 years and 1 month, and 9 years, respectively.

**On May 17, 2006, Otto Antonio Gutierrez, Jr., the former Chief Administrative Accountant for the Inter-American Development Bank (“IDB”), was sentenced to 41 months in prison for embezzling more than \$400,000 while working for the IDB. Gutierrez, 55, was sentenced in U.S. District Court for the District of Columbia before the Honorable John Garrett Penn. Gutierrez pled guilty in February 2006 to a one-count Information Charging Wire Fraud. In sentencing the defendant to 41 months in prison, which is to be followed by three years of supervised release, the Court found that Gutierrez had employed sophisticated means and abused a position of trust in the execution of his fraudulent conduct. In addition to the terms of imprisonment, Gutierrez was ordered to pay restitution to the IDB in the amount of \$423,283. (District Court)**

The IDB is a public international organization whose shareholders are the governments of 47 countries, including the United States of America. The IDB’s purpose is to contribute to the acceleration of economic and social development of its regional developing member countries. The IDB relies upon public and private investors to fund its projects through the issuance of interest-bearing bonds.

Gutierrez, a native of Costa Rica, was employed by the IDB, in its Washington, D.C. headquarters, for more than 30 years. He started in 1975 as a messenger. While he worked at the IDB, Gutierrez earned a Bachelor’s degree in economics and a Master’s degree in Development Banking. In 1997, he was promoted to Chief of the Administrative Accounting Section where he oversaw the yearly payment of more than \$100 million in administrative expenses and supervised as many as 20 other individuals.

In 1995, before he was elevated to Chief, Gutierrez began his scheme of creating fictitious vendor accounts and directing payments to be made for his benefit. Paper checks made payable to these fictitious vendors were deposited by Gutierrez into bank accounts that he controlled. As technology advanced and payments were made electronically, Gutierrez directed the transfer of funds from the IDB’s bank account into several accounts in his own name. Gutierrez succeeded in hiding his theft for many years by debiting an accrual account that he knew was not subject to regular reviews.

When the IDB discovered Gutierrez’s theft, it promptly referred the matter to law enforcement authorities.

**On May 17, 2006, Miquel Morrow, the lead defendant in a serial bank robbery case that went to trial in U.S. District Court last year, was sentenced to life in prison plus 95 years in prison. Morrow, 28, of the 700 block of Marietta Place, NW, Washington, D.C., was**

**convicted by a federal jury on July 15, 2005, of conspiracy to participate in a Racketeer Influenced Corrupt Organization (RICO), conspiring to commit bank robberies, four substantive bank robbery counts, and numerous weapons offenses. Morrow was also convicted of an assault with intent to kill on May 15, 2004, in Northwest Washington, D.C., of an individual whom he believed had stolen a weapon from the criminal enterprise. (District Court)**

As part of the conspiracy, Morrow participated in all six bank robberies, each time armed with an assault rifle which he used to intimidate customers and employees. He was captured on videotape by a FOX News crew, as he ran and stumbled to the ground fleeing from the last bank, the SunTrust Bank on Connecticut Avenue, NW, on June 29, 2004. Other evidence at trial depicted him stumbling as he ran from the Chevy Chase Bank, in Silver Hill, Maryland, on May 10, 2004.

Earlier this month, co-defendant Carlos Aguiar, who is a career offender based on his prior convictions, was sentenced for the present offenses by United States District Judge Colleen Kollar-Kotelly to 60 years in prison, followed by five years of supervised release, and ordered to pay restitution of \$361,000 to the banks that were robbed. Co-defendant Malvin Palmer was sentenced last Friday, to just under 43 years in prison; co-defendants Aaron Perkins and Bryan Burwell have been sentenced to 34 years and 41 years, respectively. One last defendant, Lionel Stoddard, will be sentenced on Friday, May 19, 2006. He is the individual who was convicted of shooting at a Prince George's County police officer, as the group fled the March 19, 2004 robbery in Silver Hill.

Last Spring and Summer, six defendants went to trial before Judge Kollar-Kotelly. The RICO conspiracy charged that the six defendants, and others, conspired to participate in the following six armed bank robberies in D.C. and Maryland:

January 22, 2004, Bank of America, 5911 Blair Road, NW, Washington, D.C., in which approximately \$144,000 was taken;

March 5, 2004, Riggs Bank, 7601 Georgia Avenue, NW, Washington, D.C., in which approximately \$92,000 was taken;

May 10, 2004, Chevy Chase Bank, 3601 St. Barnabus Road, Silver Hill, Maryland, in which approximately \$54,000 was taken;

May 27, 2004, Chevy Chase Bank, 5823 Eastern Avenue, Chillum, Maryland, in which approximately \$18,000 was taken;

June 12, 2004, Industrial Bank, 2012 Rhode Island Avenue, NW, Washington, D.C., in which approximately \$30,000 was taken; and

June 29, 2004, SunTrust Bank, 5000 Connecticut Avenue, NW, Washington, D.C., in which approximately \$23,000 was taken.

On July 15, 2005, the jury returned verdicts against all defendants, finding them guilty of numerous offenses, including RICO conspiracy, conspiracy, and substantive bank robbery and weapons violations.

Earlier this year, Judge Kollar-Kotelly sentenced two cooperating defendants, Nourredine Chtaini and Omar Holmes, both of whom provided significant testimony at the trial of the six defendants, to 13 years, and 9 years, respectively, as well as the same period of supervised release and restitution as received by the other sentenced defendants.

**On May 2, 2006, Aaron Perkins, a defendant in a serial bank robbery case that went to trial in U.S. District Court last year, was sentenced to over 34 years in prison. Perkins, 28, of Oxon Hill, Maryland, was convicted by a federal jury on July 15, 2005, of conspiracy to participate in a Racketeer Influenced Corrupt Organization (RICO), conspiring to commit bank robberies, a substantive bank robbery count for the robbery on June 29, 2004, of the SunTrust Bank, 5000 Connecticut Avenue, NW, Washington, D.C., and a weapons offense. During the robbery, the defendant was carrying a machinegun while acting as a lookout on the street in broad daylight on Connecticut Avenue. Following this bank robbery, a number of weapons used in the earlier robberies were seized from Perkins' apartment during raids by law enforcement agents in the early morning hours of July 16, 2004. Perkins was sentenced for these offenses by United States District Judge Colleen Kollar-Kotelly to 34 years and nine months in prison to be followed by five years of supervised release. He was also ordered to pay restitution of \$361,000 to the banks that were robbed. (District Court)**

Last Spring and Summer, six defendants — Perkins, Miquel Morrow, Lionel Stoddard, Carlos Aguiar, Bryan Burwell, and Malvin Palmer — went to trial before Judge Kollar-Kotelly. The RICO conspiracy charged that the six defendants, and others, conspired to participate in the following six armed bank robberies in D.C. and Maryland:

January 22, 2004, Bank of America, 5911 Blair Road, NW, Washington, D.C., in which approximately \$144,000 was taken;

March 5, 2004, Riggs Bank, 7601 Georgia Avenue, NW, Washington, D.C., in which approximately \$92,000 was taken;

May 10, 2004, Chevy Chase Bank, 3601 St. Barnabus Road, Temple Hills, Maryland, in which approximately \$54,000 was taken;

May 27, 2004, Chevy Chase Bank, 5823 Eastern Avenue, Chillum, Maryland, in which approximately \$18,000 was taken;

June 12, 2004, Industrial Bank, 2012 Rhode Island Avenue, NW, Washington, D.C., in which approximately \$30,000 was taken; and

June 29, 2004, SunTrust Bank, 5000 Connecticut Avenue, NW, Washington, D.C., in which approximately \$23,000 was taken.

On July 15, 2005, the jury returned verdicts against all defendants, finding them guilty of numerous offenses, including RICO conspiracy, conspiracy, and substantive bank robbery and weapons violations, stemming from the defendants' actions. Morrow was also convicted of an assault with intent to kill on May 15, 2004, in Northwest Washington, D.C., of an individual who allegedly stole a weapon from the criminal enterprise. Burwell was sentenced by Judge Kollar-Kotelly on April 28, 2006, to 41 years and three months in prison, and the same period of supervised release and restitution as Perkins. The remaining trial defendants are expected to be sentenced later this month.

Earlier this year, Judge Kollar-Kotelly sentenced two cooperating defendants, Nourredine Chtaini and Omar Holmes, both of whom provided significant testimony at the trial of the six defendants, to 13 years and 1 month, and 9 years, respectively, as well as the same period of supervised release and restitution as defendants Burwell and Perkins.

**On May 4, 2006, Carlos Aguiar, a defendant in a serial bank robbery case that went to trial in U.S. District Court last year, was sentenced to 60 years in prison. Aguiar, 26, of the 1400 block of Fairmont Street, NW, Washington, D.C., was convicted by a federal jury on July 15, 2005, of conspiracy to participate in a Racketeer Influenced Corrupt Organization (RICO), conspiring to commit bank robberies, two substantive bank robbery counts, and weapons offenses. (District Court)**

As part of the conspiracy, Aguiar participated in four bank robberies – Bank of America, two Chevy Chase Banks, and Industrial Bank. In each robbery, Aguiar was armed with an assault rifle which he used to intimidate customers and employees. In the robbery of the Industrial Bank, a surveillance camera photographed Aguiar pointing the assault rifle in the face of a 12-year-old boy as his mother laid prone on the floor a short distance away.

During the robbery of the Chevy Chase Bank in Silver Hill, Maryland, Aguiar and two other defendants fired numerous rounds at a Prince George's County Police Officer who arrived in her car on the scene as the robbery was taking place. Furthermore, Aguiar was ultimately arrested when he tried to flee from law enforcement agents who had a warrant for his arrest. During his flight, Aguiar, who was driving a stolen car and illegally in possession of a semiautomatic handgun, smashed through a blockade, had to be forced to a stop in Anacostia Park and was then pulled out of his car by Metropolitan Police Department (MPD) Detective Oscar Mouton.

Aguiar, who is a career offender based on his prior convictions, was sentenced for the present offenses by United States District Judge Colleen Kollar-Kotelly to 60 years in prison, followed by five years of supervised release, and ordered to pay restitution of \$361,000 to the banks that were robbed.

Last Spring and Summer, six defendants — Aguiar, Miquel Morrow, Lionel Stoddard, Bryan Burwell, Aaron Perkins and Malvin Palmer — went to trial before Judge Kollar-Kotelly. The RICO conspiracy charged that the six defendants, and others, conspired to participate in the following six armed bank robberies in D.C. and Maryland:

January 22, 2004, Bank of America, 5911 Blair Road, NW, Washington, D.C., in which approximately \$144,000 was taken;

March 5, 2004, Riggs Bank, 7601 Georgia Avenue, NW, Washington, D.C., in which approximately \$92,000 was taken;

May 10, 2004, Chevy Chase Bank, 3601 St. Barnabus Road, Silver Hill, Maryland, in which approximately \$54,000 was taken;

May 27, 2004, Chevy Chase Bank, 5823 Eastern Avenue, Chillum, Maryland, in which approximately \$18,000 was taken;

June 12, 2004, Industrial Bank, 2012 Rhode Island Avenue, NW, Washington, D.C., in which approximately \$30,000 was taken; and

June 29, 2004, SunTrust Bank, 5000 Connecticut Avenue, NW, Washington, D.C., in which approximately \$23,000 was taken.

On July 15, 2005, the jury returned verdicts against all defendants, finding them guilty of numerous offenses, including RICO conspiracy, conspiracy, and substantive bank robbery and weapons violations. Morrow was also convicted of an assault with intent to kill on May 15, 2004, in Northwest Washington, D.C., of an individual who allegedly stole a weapon from the criminal enterprise. Burwell and Perkins were previously sentenced by Judge Kollar-Kotelly to prison terms of 41 years and 3 months, and 34 years and 9 months, respectively, and the same period of supervised release and restitution as Aguiar. The remaining three trial defendants are expected to be sentenced in the next couple of weeks.

Earlier this year, Judge Kollar-Kotelly sentenced two cooperating defendants, Nourredine Chtaini and Omar Holmes, both of whom provided significant testimony at the trial of the six defendants, to 13 years and 1 month, and 9 years, respectively, as well as the same period of supervised release and restitution as received by the other sentenced defendants.

**On May 4, 2006, a resident of Haiti, Phito Cajuste, pled guilty to taking a nine-year-old American girl hostage in Haiti. Phito Cajuste, also known as "Fito," 24, of Haiti, pled guilty in the United States District Court for the District of Columbia before the Honorable John D. Bates. The nine-year-old victim, who is a United States citizen, had been living with her family in the area of Port-au-Prince, Haiti. The defendant faces a maximum sentence up to life imprisonment under the Hostage-Taking statute. He was arrested in late February in Haiti and brought to the United States. In December 2005, two other coconspirators, Yves Jean Louis, 24, and Ernsou Louis, 19, both of Haiti, pleaded guilty in connection with this hostage-taking. Sentencing dates have yet to be set in any of the three cases. (District Court)**

The ordeal for the little girl began in the early morning hours of September 26, 2005, when Phito Cajuste, Yves Jean Louis, Ernsou Louis and another armed assailant abducted the girl from her bed, after having invaded the family's home. The girl was taken to a remote mountain location and held there for more than one week, during which time she became ill. The girl was

told repeatedly that if she told anyone or tried to escape, she would be killed. During that time, the hostage-takers made demands for ransom, starting at \$200,000 in U.S. dollars. A citizen passing through the area where the girl was being held became aware of her presence and alerted the authorities. The girl was rescued on October 4, 2005. The authorities apprehended Ernso Louis at the scene and located Yves Jean Louis a short while later. Phito Cajuste was arrested in late February, 2006 in Haiti.

**On May 4, 2006, a Lexington, Kentucky corporate executive, David S.C. Tatum, pled guilty to making false statements in an Iranian trade embargo investigation. Tatum, 70, of Lexington, Kentucky, entered his plea of guilty in U.S. District Court for the District of Columbia before the Honorable John D. Bates to the felony charge of making a material false statement to federal agents investigating violations of the U.S. trade embargo against Iran. The Honorable John D. Bates is scheduled to sentence Tatum on August 4, 2006. (District Court)**

Regarding this prosecution, United States Attorney Wainstein said, "It is of paramount importance that federal agents be able to fully investigate the facts surrounding violations involving national security matters. This prosecution shows that the Department of Justice will vigorously enforce the laws against obstructing such criminal investigations through false statements or other means."

The charge arose from a Commerce Department Office of Export Enforcement ("OEE") and ICE investigation into a scheme by two executives of Clark Material Handling Corporation ("CMHC"), a Kentucky-based forklift truck manufacturer, to sell U.S.-origin forklift components to an Iranian forklift truck manufacturer, Sepahan Lifter, in violation of the trade embargo against Iran. The two CMHC executives, Robert E. Quinn and Michael H. Holland, and Sepahan Lifter's Managing Director, Mohammad A. Sharbaf, were indicted in the District of Columbia in April 2005. Tatum, then a Vice-President of CMHC, was interviewed during the course of the investigation. According to papers filed in connection with Tatum's plea, he knew of the Iranian trade embargo. Tatum was also aware that Quinn and Holland were in communication with Sharbaf and had arranged for parts to be shipped to Sepahan Lifter through a company in the United Arab Emirates ("U.A.E."), thereby making it appear that the parts were not going to an embargoed country.

According to court documents filed by the government, on or about August 10, 2005, in the District of Columbia, Tatum falsely told OEE and ICE agents investigating the matter that, after learning of Quinn's and Holland's dealings with Sepahan Lifter and Sharbaf, Tatum had instructed them to cease sending CMHC replacement parts to Sepahan Lifter or Sharbaf either directly or through a third party. In fact, he had not given such an instruction to Quinn or Holland.

After a trial ending in December 2005, a federal jury found Quinn guilty of all six counts of the indictment against him, and on February 23, 2006, he was sentenced to 39 months of



imprisonment. Holland was acquitted after trial. Sharbaf remains at large. A fourth coconspirator, who had operated the intermediary company in the U.A.E., Khalid Mahmood, previously pled guilty to Iran embargo violations relating to other transactions, and provided substantial cooperation in the government's investigation. On January 19, 2006, he was sentenced to 16½ months of imprisonment.

The International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-1706, and the Iranian Transaction Regulations, 50 C.F.R. Part 560, prohibit all exports to Iran of U.S.-origin commodities absent authorization in the form of an export license from the Office of Foreign Assets Control ("OFAC") of the Department of the Treasury. They also make it unlawful to ship U.S.-origin products to a third country and for re-export to Iran without the necessary OFAC authorization. These prohibitions have been in place since 1995.

**On May 5, 2006, former Voice of America broadcaster, James Russell Woodgates, pled guilty to possession of child pornography. Woodgates, 54, of Washington, D.C., entered his guilty plea in U.S. District Court before the Honorable Royce C. Lamberth. Woodgates is subject to up to five years of imprisonment, a \$250,000 fine, or both, when he is sentenced by the Honorable Royce C Lamberth on July 14, 2006. (District Court)**

During court proceedings, the defendant admitted that over the course of several years while employed as a broadcaster for the Voice of America, he had viewed pornography, including child pornography, on the internet at work. The defendant engaged in this illegal activity in a number of ways, including, browsing websites containing pornographic images of children; participating in online group chat rooms that discussed and facilitated the trading of child pornography; maintaining online storage areas containing pornographic images of children and providing other individuals with access to those areas; and sending and receiving pornographic photos of children via the internet. The defendant immediately resigned his position at the Voice of America upon the discovery of his conduct in December 2002.

A forensic analysis of the contents of the defendant's work computer resulted in the recovery of approximately 250 separate images and four videos depicting young boys, including prepubescent boys, engaged in sexually explicit conduct. An analysis of these images conducted by the National Center for Missing and Exploited Children revealed that at least 19 of the images were of identified child victims of sexual exploitation, including several victims under 12 years of age.

**On April 28, 2006, Bryan Burwell, a defendant in a serial bank robbery case that went to trial in U.S. District Court last year, was sentenced to over 41 years in prison. Burwell, 28, of Greenbelt, Maryland, was convicted by a federal jury on July 15, 2005, of conspiracy to participate in a Racketeer Influenced Corrupt Organization (RICO), conspiring to commit bank robberies, a substantive bank robbery count for the robbery on June 12, 2004, of the Industrial Bank, 2012 Rhode Island Avenue, NW, Washington, D.C., and using a**

**machinegun during that bank robbery. Burwell was sentenced for these offenses by United States District Judge Colleen Kollar-Kotelly to 41 years and 3 months in prison, followed by five years of supervised release, and he was ordered to pay restitution of \$361,000 to the banks that were robbed. (District Court)**

Last Spring and Summer, six defendants — Burwell, Miquel Morrow, Lionel Stoddard, Carlos Aguiar, Aaron Perkins and Malvin Palmer — went to trial before Judge Kollar-Kotelly. The RICO conspiracy charged that the six defendants, and others, conspired to participate in the following six armed bank robberies in D.C. and Maryland:

January 22, 2004, Bank of America, 5911 Blair Road, NW, Washington, D.C., in which approximately \$144,000 was taken;

March 5, 2004, Riggs Bank, 7601 Georgia Avenue, NW, Washington, D.C., in which approximately \$92,000 was taken;

May 10, 2004, Chevy Chase Bank, 3601 St. Barnabus Road, Temple Hills, Maryland, in which approximately \$54,000 was taken;

May 27, 2004, Chevy Chase Bank, 5823 Eastern Avenue, Chillum, Maryland, in which approximately \$18,000 was taken;

June 12, 2004, Industrial Bank, 2012 Rhode Island Avenue, NW, Washington, D.C., in which approximately \$30,000 was taken; and

June 29, 2004, SunTrust Bank, 5000 Connecticut Avenue, NW, Washington, D.C., in which approximately \$23,000 was taken.

On July 15, 2005, the jury returned verdicts against all defendants, finding them guilty of numerous offenses, including RICO conspiracy, conspiracy, and substantive bank robbery and weapons violations, stemming from the defendants' actions. Morrow was also convicted of an assault with intent to kill on May 15, 2004, in Northwest Washington, D.C., of an individual who allegedly stole a weapon from the criminal enterprise. The remaining trial defendants are expected to be sentenced in May 2006 by Judge Kollar-Kotelly.

Earlier this year, Judge Kollar-Kotelly sentenced two cooperating defendants, Nourredine Chtaini and Omar Holmes, both of whom provided significant testimony at the trial of the six defendants, to thirteen years, one month, and nine years, respectively, as well as the same period of supervised release and restitution as defendant Burwell.

**On April 28, 2006, Ashraf Ahmed Abdallah Bashar, 37, an Egyptian man pled guilty to smuggling nearly 100 individuals from Middle Eastern countries into the United States.**

**Abdallah entered his guilty plea in federal court before U.S. Magistrate Judge Deborah A. Robinson. Abdallah admitted to leading a human smuggling ring that brought 100 or more persons into the United States from April 2001 through January 2002. (District Court)**

According to plea documents filed in court, Abdallah met with and housed these men in Guatemala City where he offered to provide illegal entry into the United States. For up to \$8,000, Abdallah arranged land transportation and guides to the United States and organized layovers at safe houses in Guatemala and Mexico. Abdallah also advised the men on how to avoid being apprehended during their journey to the United States. In the end, Abdallah and his co-conspirators successfully provided 100 or more individuals with guided foot-passage across the Southwest border into the United States.

Under the terms of the plea agreement, Abdallah could face a four-year prison sentence. His sentencing is set for October 24, 2006, before U.S. District Court Judge Ricardo M. Urbina.

“Providing persons with unknown backgrounds undetected entry into our country is a threat to national security,” said Assistant Attorney General Fisher. “The Department of Justice will continue to use all legal means to stop illegal human smuggling and the serious threat it poses to American citizens.”

U.S. Attorney Wainstein stated, “Protecting our borders remains one of our top priorities. We will use every tool at our disposal to break up alien smuggling rings and put the operators behind bars.”

“Among the ranks of human smuggling kingpins, Abdallah was one of our major targets. The fact that he has pleaded guilty and is no longer in a position to smuggle people into this country is a significant milestone in our efforts to combat human smuggling organizations,” said ICE Assistant Secretary Julie L. Myers.

Abdallah’s arrest and charges against him arose from an international investigation led by the ICE field office in Washington.

**On May 30, 2006, a federal grand jury returned a superseding 24-count indictment charging a Forestville, Maryland man, Marcus Jermaine Pinckney, with attempting to kill a federal witness and numerous narcotics trafficking and weapons charges. Pinckney, 29, of the 3800 block of Ida Court, Forestville, Maryland, was indicted by a federal grand jury on multiple narcotics trafficking, weapons, assault and witness tampering charges, including the shooting and wounding of a federal witness in January 2006. An arraignment date has not yet been set by the court. If convicted of the charges, Pinckney faces a mandatory minimum of 20 years in prison and a maximum of life. (District Court)**

On or about December 9, 2004, Marcus Jermaine Pinckney was indicted by a federal grand jury in the District of Columbia on multiple narcotics and weapons charges which related to his long- time alleged distribution of phencyclidine and cocaine base, also known as PCP and crack, respectively, in the Langston Terrace area of Washington between July 2001 and November 2004. The indictment was based upon allegations that Pinckney was responsible for distributing more than a kilogram of PCP and cocaine base to the Northeast area of the District of Columbia. Pinckney was arrested on September 10, 2005, by law enforcement authorities.

On October 17, 2005, Pinckney was released by a judicial magistrate into the heightened supervision/electric monitoring program. While on release, on January 8, 2006, during evening hours, members of the Metropolitan Police Department responded to the front of 700 block of 24th Street, NE, Washington, D.C. (PSA 504). A witness in this investigation was found suffering from several gun shot wounds. The witness was transported to Med Star and was listed in serious, but stable condition despite having suffered three gunshot wounds to the upper torso. The vehicle that the witness drove was riddled with several bullet holes.

On or about January 12, 2006, Pinckney was arrested and charged with Assault with Intent to Kill while Armed with a firearm on January 8, 2006.

**On April 11, 2006, Janette Faber, a former office assistant for a local real estate management company, was sentenced to 24 months in prison for stealing \$1,354,376 from her employer. Faber, 44, formerly of Annapolis, Maryland, was sentenced in U.S. District Court before the Honorable Rosemary M. Collyer. Faber pled guilty in January 2006 to one count of interstate transportation of stolen and fraudulently obtained property. (District Court)**

According to the government's evidence, between January 1999 and October 2004, Faber, who was then an office assistant for Snyder Properties, a Washington, D.C. based real estate management company, stole funds from her employer's bank accounts by issuing \$1,354,376 in checks made payable to Faber or her creditors. To conceal her activities, Faber omitted material information from Snyder Properties' accounting records and removed cancelled checks from Snyder Properties' monthly bank statements.

**On June 5, 2006, James O. Baxter, the former treasurer of the Washington Teachers Union (WTU), was sentenced to ten years in prison for his role in a conspiracy to defraud the WTU between 1997 and 2002. Baxter, 52, of Fort Washington, Maryland, was sentenced in the United States District Court for the District of Columbia before the Honorable Richard J. Leon, who also ordered that Baxter serve three years of supervised release when he leaves prison and perform 300 hours of community service. The Court further ordered him to pay restitution in the amount exceeding \$4.2 million. (District Court)**

In August 2005, a jury convicted Baxter of 23 counts of conspiracy, embezzlement, mail fraud, wire fraud, false statements, money laundering, and theft. His co-defendant, Gwendolyn Hemphill, the executive assistant to the president of WTU, was also convicted of the same offenses and was sentenced to eleven years in prison on May 22, 2006.

WTU is the collective bargaining unit for 5,000 teachers, guidance counselors, librarians, and other school professionals employed by and retired from the District of Columbia Public Schools. The government's case at trial demonstrated that Baxter and Hemphill, along with Barbara Bullock, the former president, stole millions of dollars from WTU starting in 1995, and continuing through about September 2002. Bullock pled guilty to mail fraud and conspiracy charges and is serving a nine-year federal prison sentence. The scheme was carried out or aided and abetted by several lesser players, including Hemphill's daughter and son-in-law, Bullock's chauffeur, a friend of Hemphill's son-in-law, and a union accountant. These five persons also pled guilty to various federal offenses and are awaiting sentencing.

The conspiracy first was limited to the use of credit cards for lavish personal purchases and through the co-conspirators writing checks to themselves for false and fictitious services or reasons. The conspiracy evolved as Baxter, Hemphill, and Bullock sought to cover up their fraud by: (1) creating a sham company called Expressions Unlimited, which was run by Michael Martin (Hemphill's son-in-law), Cheryl Martin (Hemphill's daughter and Michael Martin's wife), and Errol Alderman (Michael Martin's friend), and which existed solely for the purpose of receiving union funds and paying them out to the conspirators, in part to make it appear that checks from Bullock and Hemphill to pay WTU's American Express bills were from their personal funds; and (2) writing over \$1.4 million in checks to Leroy Holmes, Bullock's chauffeur, who pleaded guilty in February 2003 to conspiracy to launder funds. Holmes would cash union checks signed by Baxter and return most of the proceeds to Hemphill or deposit them into Bullock's bank account. Likewise, the Martins and Alderman pled guilty to conspiracy to launder money.

The fraud was concealed for years because of WTU's failure to complete and submit audits to AFT and because, in some cases, certain other persons performing accounting-related services for WTU improperly accounted for the use of WTU funds and, thereby, made it appear that WTU funds were being spent appropriately. This improper accounting, which was performed, in part, by Robin Klein (who pled guilty just prior to trial to two counts of making false statements to the Department of Labor), included taking, in some cases, a year's worth of union American Express charges for personal expenditures and dividing them among legitimate-sounding accounts, such as "Employee Benefits," "Pension," "Membership Services," and "Travel and Entertainment." The false accounting information was then reported and, to some extent, further falsified by Baxter and Hemphill, on WTU financial reports, including annual tax returns submitted to the IRS and financial statements filed with the Department of Labor.

**On May 25, 2006, a 21-year-old Haitian man, Attly Hans, was indicted and arrested in connection with the hostage-taking of an American woman in Haiti last month. Hans was indicted by a federal grand jury in the District of Columbia in charges of taking hostage of a woman who is a United States citizen in Port au Prince, Haiti, in May 2006. Hans was arrested June 6, 2006, in Haiti and brought to the United States. Hans was arraigned before United States Magistrate Judge John Facciola in United States District Court in Washington, D.C. If convicted of the charge, Hans faces a maximum sentence of up to life imprisonment. (District Court)**

The indictment is based upon an incident that occurred during the late afternoon of May 10, 2006, when Hans and other armed assailants allegedly abducted the woman by carjacking the vehicle she was riding in. They took the woman hostage and repeatedly threatened to kill her. They held her for approximately five days, during which time they demanded ransom. The family and friends of the victim paid over \$7,000 in ransom before the hostage-takers finally released her.

An indictment is merely a formal charge that a defendant has committed a violation of criminal laws. Every defendant is presumed innocent until and unless found guilty.

**On June 13, 2006, a former Howard University Hospital payroll secretary, Maria Teves-Upshur, was sentenced to 11 months in prison for conspiring to defraud Howard University Hospital by submitting false time and attendance records for full- and part-time nurses for which she obtained unearned income and for receiving kickbacks from a contractor who provided nurses to the hospital. Teves-Upshur, 44, of Oxon Hill, Maryland, received her sentence before United States District Judge Gladys Kessler, who also ordered Teves-Upshur to pay \$120,000 in restitution. On February 9, 2006, the defendant pled guilty to Conspiracy to Commit Health Care Fraud. (District Court)**

According to the government's evidence, Teves-Upshur was a full-time secretary for the Department of Nursing at Howard University Hospital Center. As the Unit Secretary for the Department, she was responsible for submitting the time and attendance cards of all nurses employed by the hospital in order for them to get paid. Teves-Upshur duties included verifying that nurses worked their shifts, approving nurse time cards and recording the time and attendance information which was entered into the hospital computer system and used by the Accounts Payable Department to pay nurses. In addition, Teves-Upshur was responsible for verifying the numbers of hours worked for temporary or "per diem" nurses often supplied by outside contractors. One such outside contractor was International Health Care Services, Inc. ("IHSI"), whose president was Manuel R. Lagmay.

Teves-Upshur defrauded Howard University Hospital Center in several ways. In or about July 2000, she accepted kickbacks from Lagmay for helping his nursing company, IHSI, obtain a contract to provide "per diem" nurses to Howard University Hospital. As part of these kickbacks, Teves-Upshur accepted a \$5,000 payment in July 2000 to arrange a meeting between Lagmay and the Director of Nursing at the hospital. When IHSI was awarded the contract, Lagmay agreed to and paid Teves-Upshur an additional \$5 for every shift an IHSI nurse worked at the hospital. In addition, Teves-Upshur submitted fraudulent invoices for payment of IHSI nurses at the hospital at the behest of Lagmay. Finally, Teves-Upshur submitted false supplemental time and attendance cards for nurses on her own for shifts that were never worked, forged the corresponding paychecks and kept the money for herself.

Teves-Upshur's co-conspirator, Manuel R. Lagmay, previously pled guilty and was sentenced by Judge Kessler to 24 months in prison and ordered to pay \$210,000 in restitution.

**On June 15, 2006, two Southeast District of Columbia men, Carl Taylor and James Underwood, were indicted by a federal grand jury on multiple federal narcotics violations,**

**including conspiracy to distribute and possess with intent to distribute cocaine base, also known as crack, maintaining a premises to distribute cocaine base, and employment of a minor to distribute cocaine base. Taylor, 34, and Underwood, 44, of the 5000 Block of D Street, SE, Washington, D.C., were arraigned on the six-count indictment on Monday, June 19, 2006, before the Honorable Henry H. Kennedy, Jr. If convicted of the charges, both men will stand to serve a mandatory-minimum sentence of ten years to life imprisonment. (District Court)**

The indictment is based upon allegations that between December 2005 through May 2006, Taylor and Underwood maintained a premises located in the 5000 Block of D Street, SE, for the purpose of processing and distributing cocaine base inside an apartment building and in the surrounding neighborhood. This activity occurred within one thousand feet of Nalle Elementary School. During the course of the conspiracy, these two men employed at least one female minor to distribute cocaine base. Additionally, Taylor, the leader and organizer of the crew, allegedly distributed street level single dosage units of cocaine base as well as wholesale amounts of quarter and half kilogram quantities of cocaine base. During a six-month period, this crew allegedly distributed multiple kilograms of crack, generating tens of thousands of dollars in illicit narcotics profits.

An indictment is merely a formal charge that a defendant has committed a violation of criminal laws. Every defendant is presumed innocent until and unless found guilty.

**On June 16, 2006, Gerry D. Mathews, a former bookkeeper for a local law firm, was sentenced to one year and a day in prison for embezzling \$350,000 from her employer. Mathews, 42, of Davidsonville, Maryland, received her sentence before the Honorable Paul L. Friedman in the United States District Court for the District of Columbia. The Court also ordered the defendant to pay restitution in the amount of \$341,260.09. Mathews pled guilty on January 30, 2006, and agreed to forfeit \$36,000 seized by FBI agents and returned to the victim. (District Court)**

According to the information presented at the plea hearing and in the government's sentencing memorandum, Mathews took over \$350,000 from the partners, their professional corporations, and from the law firm. The defendant embezzled more than \$173,000 just by using the lawyer's money to pay her own credit card bills. At times, the defendant altered the amounts on the checks to the credit card companies, changing a \$36 check or a \$54 dollar check into one for \$3,600 and \$5,400. She then used these checks to pay her own debts to the credit card companies. The defendant also embezzled money by diverting checks made payable to the lawyers; she endorsed her own name under the forged endorsement of the lawyer and then cashed or deposited the checks into her own bank account.

In 1997, the defendant began embezzling money from the law firm's bank account. The defendant wrote her own name as a secondary endorsement on the law firm checks which were made payable to some of the firm's partners. She then either cashed the checks or deposited the checks into her own account or an account belonging to a family member. Similarly, the defendant embezzled money from a third-party check. In 2004, a partner gave the defendant a \$28,511 check made payable to the partner's professional corporation. The partner instructed

Mathews to deposit the check into his professional corporation's account. Instead, in or about November 2004, the defendant deposited the check into a bank account held jointly with her husband.

**On June 16, 2006, Victor Moscoso-Espana, a Guatemalan citizen illegally residing in Hyattsville, Maryland, was sentenced to 87 months in prison for attempting to hire a hit man in 2005 to kill an inmate at the D.C. Jail. Moscoso-Espana, 21, received his sentence in the United States District Court for the District of Columbia before the Honorable Reggie B. Walton. Moscoso-Espana pled guilty in March 2006, to use of interstate commerce facilities in the commission of a murder-for-hire. Moscoso-Espana was also ordered to be deported upon his release from prison. (District Court)**

During the earlier court proceeding, Moscoso-Espana admitted that in the fall of 2005, he paid a District man, who unbeknownst to him was cooperating for the government, money for the purpose of having an inmate at the D.C. jail murdered. He further admitted that, in arranging the murder-for-hire, he used a telephone to set up meetings and that he and the cooperating witness traveled back and forth between Maryland and D.C. for these meetings, which were recorded by the cooperating witness.

Specifically, Moscoso-Espana admitted that, on October 11, 2005, the defendant called the cooperating witness on the telephone and asked him to meet at the Hess gas station in the 1900 block of New Jersey Ave, NW, Washington, D.C. At that meeting, the defendant asked the cooperating witness to have an inmate at the D.C. jail murdered. The defendant identified the inmate by first name, and gave the cooperating witness the inmate's visiting days and jail identification number. The inmate, also from Guatemala, was incarcerated at the D.C. Jail on drug charges. On October 14, 2005, the defendant again met with the cooperating witness at the Hess gas station in Washington, D.C. The defendant stated that he "want[ed] to kill" the inmate. The cooperating witness indicated that he knew people in the D.C. jail with the target. The defendant instructed the cooperating witness to have them get contact names and phone numbers from the inmate before he was killed.

The defendant again arranged to meet with the cooperating witness in Hyattsville, MD, near the defendant's home, on October 18, 2005. At that meeting, the defendant agreed to pay \$15,000, payable over a period of time in installments, for the murder of the inmate. Finally, on October 21, 2005, the defendant and cooperating witness met in Maryland, and the defendant gave the cooperating witness \$100 as an initial down-payment for the murder.

The defendant was arrested on October 22, 2005. After being read his rights, he admitted to attempting to have the D.C. inmate killed, stating that he did not like the inmate. He further stated that he wanted to get telephone contact information for the inmate's drug sources before the inmate was killed so he could take over the source and make money. At the sentencing, the defendant also stated that he wanted to kill the inmate because the inmate had stolen his girlfriend.

**On June 16, 2006, a District of Columbia Superior Court grand jury declined to return an indictment in the case of the alleged assault by Representative Cynthia McKinney of**



**United States Capitol Police Officer Paul McKenna. The decision by the grand jury, otherwise known as a no true bill or a finding of no probable cause, follows an extensive and thorough grand jury investigation by the United States Attorney's Office and the U.S. Capitol Police Department regarding the incident between the officer and Representative McKinney, which occurred on March 29, 2006, at the Longworth Office Building. (District Court)**

United States Attorney Wainstein stated, "We respect the decision of the grand jury in this difficult matter, and we thank its members for their hard work and careful consideration of the evidence and testimony." U.S. Attorney Wainstein added that, "Members of Congress are fortunate to have the protection and the service of one of the finest police forces in the country. We ask the U.S. Capitol Police to protect our Capitol and to do so in a way that minimizes disruption and makes all feel welcome. This is a tremendously difficult job, and it is one that Officer McKenna and his colleagues perform with the utmost professionalism and dignity."

The Department of Justice does not normally comment on the status of investigations, but has the discretion to do so when there is overwhelming public interest in a case. Such comment, however, is limited in this matter by Superior Court Rule of Criminal Procedure 6(e), which precludes disclosure of information received and heard by a grand jury, and thus there will be no further comment regarding this investigation.

The decision by the grand jury concludes the investigation of this incident.

**On June 17, 2006, Draphet D. Moody, the former manager of Triad Business Services, pled guilty in a massive tax fraud conspiracy in which the tax preparation service for which she worked fraudulently sought \$1 million in tax refunds for clients. Moody, 29, of Upper Marlboro, Maryland, pleaded guilty before the Honorable Richard J. Leon in the United States District Court for the District of Columbia to a one-count Information charging Conspiracy to file False Income Tax Returns, in violation of Title 18, United States Code, Section 371. The maximum statutory penalty is 5 years of incarceration and a fine of \$250,000.00. Under the U.S. Sentencing Guidelines, which are advisory, Moody faces a sentence of 18 to 24 months of incarceration, a fine, an order of restitution, and a 3-year term of supervised release. (District Court)**

The guilty plea arises in connection with Moody's role as a former manager of Triad Business Services, a local tax preparation service. In April of this year, a federal grand jury returned a nine-count indictment against the owner of Triad, Henderson A. Joseph, and another Triad manager, Marcelle L. Stephens, for filing fraudulent client tax returns in a \$1 million tax fraud scheme. As part of the guilty plea, Moody agreed to cooperate with the government.

The guilty plea stems from a massive tax fraud conspiracy whereby it is alleged that Joseph, the owner of Triad Business Services ("Triad"), a tax preparation service with offices in Washington, D.C., Baltimore, Maryland, and Richmond, Virginia, masterminded a scheme to obtain fraudulent refunds for hundreds of clients by falsifying itemized deductions and credits on the clients' U.S. Individual Income Tax Returns, Forms 1040. In total, it is alleged that Joseph and his co-conspirators attempted to impede the functions of the Internal Revenue Service by

filing false returns and to defraud the IRS of over \$1,000,000.00 through the filing of false returns. The fraudulent income tax returns contained inflated or fabricated itemized deductions such as charitable contributions, job expenses, and other miscellaneous expenses to which the taxpayers were not in fact entitled. False credits were also claimed for education and child care.

Joseph worked out of the D.C. office, which Stephens managed. Joseph and Stephens allegedly instructed the other managers, including Moody who managed the Baltimore office, to inflate or fabricate deductions and credits on the clients tax returns, thereby increasing the refunds the taxpayer/clients would receive, increasing Triad's fees, and increasing repeat customers who would return in successive years. All of the tax returns prepared at the Baltimore offices were reviewed by Joseph and Stephens and then electronically transmitted to the IRS.

Previously, Nicole Williams, of Brooklyn, New York, a co-conspirator who managed the Richmond, Virginia office, pleaded guilty to Aiding or Assisting the Preparation of a Fraudulent Return. She has agreed to cooperate with the government in the case against Joseph and Stephens.

Joseph's trial will be scheduled following his extradition to the United States. Stephens voluntarily surrendered, following her Indictment and is currently facing charges. The sentencing of the Moody will take place following the trial of Joseph and Stephens.

**On June 23, 2006 Perry P. Biayeibo, a Nigerian citizen living in Hyattsville, Maryland, pled guilty to committing fraud against the federal credit union at the World Bank. Biayeibo pleaded guilty in U.S. District Court before Magistrate Judge John M. Facciola. The defendant was arrested on April 12, 2006, by Special Agents from the United States Secret Service pursuant to a warrant for the fraud. He is subject up to 30 years in prison on his plea when he is sentenced by United States District Judge Colleen Kollar-Kotelly later this year, although he probably will face a maximum of 14 months in prison under the federal sentencing guidelines. (District Court)**

According to the statement of offense filed in this matter, which was agreed to by the defendant, the Bank-Fund Staff Federal Credit Union (hereinafter referred to as "BFSFCU") is located in Washington, D.C., and is federally insured. Between March 29 and April 3, 2006, three stolen checks totaling \$34,385 were deposited into the account of two BFSFCU members. The joint account belongs to two individuals, a mother and her son (the son is referred to here as "Individual #1"). The three stolen checks were courtesy checks issued to three different MBNA Bank credit card holders, none of whom were Biayeibo or the other relevant individuals discussed here and none of whom had given anyone permission to use the checks. Typically these checks are mailed to credit card holders to be used for whatever purpose the credit card holder desires. The three checks were returned to BFSFCU from MBNA Bank as they were listed as "stolen."

Once BFSFCU learned that the checks were stolen, it made contact with the United States Secret Service. The Secret Service contacted Individual #1 who admitted he had deposited the checks and thereafter withdrawn money from the resulting funds on behalf of a man later identified as Biayeibo in return for a percentage of the funds. Individual #1 met

Biayeibo through a co-worker of Individual #1 at a store in Rockville, Maryland (referred to here as "Individual #2). Individual #2 approached Individual #1 about cashing checks for a friend named "Pee" who was a Nigerian citizen who allegedly could not open a bank account in the United States. Individual #1 agreed to cash the checks in exchange for a percentage of the funds.

Thereafter, on three separate occasions, Individual #1 received stolen checks from Individual #2 or Biayeibo, which he deposited into his BFSFCU account at a branch in Maryland. Individual #1 withdrew money from these funds on the first two occasions from a BFSFCU office located in the 2100 block of Pennsylvania Ave, N.W., Washington, D.C., but was prevented from doing so on the third occasion because BFSFCU had learned by then that the checks were stolen. From the funds withdrawn, Individual #1 took his portion, and the rest went to Biayeibo, except \$500 went to Individual #2. Once the Secret Service was contacted by BFSFCU, it recorded a conversation between Individual #1 and Biayeibo when the two were seeking to withdraw funds from the third check. In the recorded conversation, Biayeibo admitted to writing the MBNA courtesy checks. The Secret Service also learned that, prior to the depositing of the three stolen checks, Biayeibo called MBNA Bank to check available credit limits on the accounts corresponding with the three convenience checks. Each of the three checks was written for an amount just slightly below the available credit limit for the respective account. The Secret Service's investigation of this fraud is ongoing as to the involvement of others.

**On June 13, 2006 Charles Washington pleaded guilty to making a false statement on a Federal Emergency Management Agency "FEMA" application in order to obtain disaster relief from Hurricane Katrina. Washington, currently residing in Middle River, Maryland, pled guilty before United States District Judge Rosemary M. Collyer to the false statement charge. The false application allowed Washington to fraudulently obtain disaster funds to which he was not entitled. Washington faces a maximum of five years of imprisonment when he is sentenced on September 19, 2006. (District Court)**

According to the evidence presented at the recent plea hearing, on September 16, 2005, Washington, who was residing in the District of Columbia at the time, made an application to FEMA for Hurricane Katrina disaster relief benefits. As part of the application, Washington falsely claimed that he rented and was living at a single family residence in New Orleans, Louisiana, during Hurricane Katrina, and that his home was damaged and that he lost personal property as a result of the Hurricane. Investigators learned that Washington did not live at the residence during the Hurricane and was not known to the owner of the residence, who had been living at the residence since 2004. Washington later told investigators that he had no fixed address during the Hurricane. As a result of Washington's false application, FEMA disbursed three checks to him totaling \$14,749. Washington cashed one of the checks, but it appears the other two checks were cashed by other individuals.

**On June 16, 2006 Readie Van Smith was sentenced to 84 months of imprisonment for possessing a firearm after being convicted of a felony and possession of marijuana. Smith, 35, formerly of 1113 45<sup>th</sup> Street, NE, Washington, D.C., was sentenced before U.S. District Judge Richard J. Leon. The defendant was found guilty of the charges by a federal jury on March 23, 2006. (District Court)**

The government's evidence at trial showed that on June 3, 2004, ICE agents went to 1113 45<sup>th</sup> Street, NE, to arrest Smith's former house mate on immigration charges. After arresting the house mate in his upstairs bedroom, the agents did a protective sweep of the remainder of the floor. In the closet of Smith's room, they found a pistol grip shotgun and an AR-15 semi-automatic assault rifle. After obtaining a search warrant, the agents also found a Star 9mm semi-automatic pistol in Smith's closet, along with ammunition for the shotgun and the AR-15 assault rifle.

At the time of the search, Smith had been sleeping on a couch next to the kitchen area of the home. Under a cushion of the couch was a .45 caliber semi-automatic pistol. In the kitchen area, the agents found an Intratec 9mm semi-automatic pistol and approximately two pounds of marijuana.

After his arrest, Smith waived his *Miranda* rights and made statements tying himself to the pistol grip shotgun and the AR-15 assault rifle in his closet.

**On June 19, 2006 a former inspector for the District of Columbia Department of Transportation, Denard A. Smith, pled guilty to accepting cash in return for not shutting down an unpermitted work site and not writing a ticket for \$2,500. Smith, 33, of Washington, D.C., pleaded guilty in the United States District for the District of Columbia before the Honorable Henry H. Kennedy, Jr. to one felony count of demanding and accepting an illegal gratuity. When Smith is sentenced on September 6, 2006, he faces between 8 and 14 months of imprisonment under the Federal Sentencing Guidelines. (District Court)**

According to the proffer of evidence presented to the Court, Smith was a public space inspector for the Office of Infrastructure Oversight in the District of Columbia Department of Transportation's Public Space Management Administration. That agency issues permits and enforces regulations applicable to space outside buildings and residences.

Smith's territory as a public space inspector included an area bounded by Second Street and Florida Avenue, NW, 14<sup>th</sup> Street and U Street, NW, and Spring Road and Water Street. As part of his job, Smith drove around in his territory in a government vehicle to ensure compliance with public space regulations.

On September 29, 2005, Smith demanded and accepted a gratuity of \$50 from an individual with a worksite located in the 1500 block of 5th Street, NW, in return for not shutting the worksite down and for not writing a ticket of \$2,500 for a violation of public space regulations. On a tape recorded conversation between Smith and the individual from whom he solicited and accepted the money, Smith used the term "lunch" as a euphemism for a gratuity:

"You know what I'm saying: when I said take me out to lunch, I can't say, well, 'give me some money, you know what I'm saying, I'm taking a bribe here.' You know what I'm saying? Because I don't know who you got on the phone or who you're talking to or who else."

On the tape recording, Smith also makes clear that this is not the first gratuity he demanded or received:

“[W]hen I said seafood, that should you—that should have kicked in. You know what I’m saying? I had another guy out here, man he—it was probably about maybe three months ago—he was digging \* \* \*.

He was building another door down there so people can go down, you know, going out his basement \* \* \*.

But he totally didn’t know he needed a permit \* \* \*.

I said, ‘look man, just treat me to lunch, man, you know, stop the work, go get your permit. And you’re good to go.’ And he gave me \$200.00. He came back with \$200.00 and said, ‘here you go, man. Treat you and your girl, man, whatever you want to do. Here you go, man.’

Because, first of all, I saved him from \$2,500. You see what I’m saying? And then you keep from his project from getting put back 30 days. You see what I’m saying? He’s losing money if I do that. You lose money when I give you a stop-work order.”

Smith told authorities that, on fifteen to twenty occasions between the summer of 2005 and January of 2006, he accepted cash payments totaling \$4,000 as a public space inspector from individuals or entities in the District.